

LIRC BULLETIN 2003-03

DATE: December 1, 2003

TO: ALL PROPERTY AND CASUALTY INSURANCE COMPANIES

RE: FLEXIBLE RATING FILING GUIDELINES

The purpose of this Bulletin is to respond to questions concerning the implementation of Act 351 (Senate Bill 721 – 2003 Regular Session). The Act, becomes effective January 1, 2004, changes current law by:

- ◆ Creating a Flexible Rating filing provision that allows multiple rate revisions within a 12-month period provided the cumulative rate revision does not exceed the 10% flexible rating band;
- ◆ Amending the prior approval filing limitation to one rate increase in a 12-month period;
- ◆ Changing the policyholder notification requirements to include the overall statewide average rate revision;
- ◆ Mandating a Market Report from the Louisiana Insurance Rating Commission to the legislature on or before February 1, 2008.

A complete copy of the Act and responses to frequently asked questions can be found on the Louisiana Department of Insurance's website www.ldi.la.gov. The Department of Insurance will routinely update the "Frequently Asked Questions" section on the Flexible Rating page. All insurers, including those currently considering entering or re-entering this State's property and casualty insurance marketplace, are encouraged to forward their questions to flexrating@ldi.state.la.us.

If there are any questions regarding this bulletin, contact Malissa J. Drake, Director of the Louisiana Insurance Rating Division, at 225.342.5203.



Paula P. Davis
Deputy Commissioner
Office of Property and Casualty